

BLUE NILE INC  
Form 4  
February 13, 2012

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**IRVINE DIANE M**

(Last) (First) (Middle)

**C/O BLUE NILE, INC., 411 FIRST AVENUE S, STE 700**

(Street)

**SEATTLE, WA 98104**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**BLUE NILE INC [NILE]**

3. Date of Earliest Transaction (Month/Day/Year)  
**02/09/2012**

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Former CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/09/2012		S <sup>(1)</sup>		10,000	D	\$ 42.67 <u>(2)</u>
Common Stock	02/10/2012		M		18,000	A	\$ 32.97
Common Stock	02/10/2012		S <sup>(1)</sup>		18,000	D	\$ 43.71 <u>(3)</u>
Common Stock							1,160
							I
							By Son
							1,160
							I



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- (1) Any short-swing profits will be paid to the company as required by Rule 16(b) of the Securities and Exchange Act of 1934.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$42.70 and lowest price at which shares were sold was \$42.67.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$44.01 and lowest price at which shares were sold was \$43.50.
- (4) 25% of the option shares vested on August 26, 2006 and one-forty-eighth of the option shares vested in equal monthly installments over the following thirty-six months. As of November 11, 2011, all unvested options were canceled.
- (5) Ms. Irvine resigned on November 11, 2011. Her vested and exercisable options will expire on May 11, 2012.
- (6) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.